



## FLORIDA ADMINISTRATION SERVICES MEETING

Friday, January 30, 2026

9:00 a.m. to 11:00 a.m.

**Florida Lottery – Powerball Conference Room**

<b>Agencies Represented</b>	<i>Department of Corrections, Department of Financial Services, Florida PALM, Department of Law Enforcement, Department of Management Services, Department of Military Affairs (Online), Department of Transportation, Department of Veterans Affairs (Online), Florida Lottery, Commission on Offender Review, Division of Administrative Hearings, Justice Administrative Commission, Department Fish and Wildlife Conservation Commission, Legislature, Highway Safety and Motor Vehicles, Department of Environmental Protection, Department of State, Department of Business and Professional Regulation, and Florida Citrus (Online)</i>
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### Department of Financial Services

#### Division of Accounting and Auditing

##### Agency Accountability Tool Results

- The Agency Accountability Tool serves as an internal control survey.
- The Department of Environmental Protection (DEP) reported that the tool was reviewed by both program staff and IT. During the review, DEP identified areas where unintended results could occur and noted that the single pay file documentation was confusing. DEP has begun completing and submitting responses.
- A&A advised that guidance related to batch uploads and external business systems will be expanded. Emphasis was placed on maintaining strong internal controls to prevent improper activity. Agencies were encouraged to review the tool and request access by contacting the PMT email address, if needed.
- A&A indicated that remaining materials and follow-up information are expected to be provided to agencies by Friday, February 6, 2026.

### **Fund Questionnaire Form for all Local Funds**

- Agencies were asked to identify whether they maintain non-CRA revolving Funds, clearing accounts or local funds.
- Agencies were asked whether any bank accounts exist that are not known to A&A; no undisclosed accounts were reported.
- Agencies discussed plans to reduce the number of revolving funds. DEP indicated it plans to reduce revolving fund usage as Florida PALM functionality expands. The Single Pay process was cited as a contributing factor enabling this reduction.
- A&A advised that the Bureau of Financial Reporting (BFR) has a Fund Questionnaire published to the A&A website that agencies are required to complete for new funds. We are asking agencies to complete a Fund Questionnaire for each non-CRA revolving fund, clearing fund or local fund that it is currently using. It was noted that some accounts are not currently being included in year-end financial statements, and agencies must assess their accounts to ensure all applicable balances are properly reported. In addition, this will help ensure that these funds are properly established and classified for Florida PALM conversion.
- Agencies with questions regarding the Fund Questionnaire form were advised to contact Tammy Eastman for assistance.
- Discussion highlighted that revolving funds were historically used to address FLAIR system limitations, including transaction processing delays. With the implementation of Florida PALM, these limitations are expected to be significantly reduced, thereby decreasing the need for revolving funds.
- Agencies reported that PCARD usage has largely replaced travel advances, further reducing reliance on revolving funds.
- A&A encouraged agencies to evaluate whether revolving funds are still necessary and advised that eliminating unnecessary revolving funds is in the agency's best interest, as it reduces administrative burden and related reporting requirements.
- It was noted that most business activities can be conducted directly within Florida PALM, further minimizing the need for revolving funds.
- Reminder to agencies that any local fund with a cash balance as of June 30 must be included in the financial statements for accurate and complete financial reporting.

### **A&A Florida PALM UAT Plan**

- A&A advised that when Florida PALM UAT begins on February 2, 2026, all A&A end users will be loaded into Florida PALM, with testing participation phased in over an estimated six- to eight-week period.
- A&A will coordinate directly with agencies to test business processes in Florida PALM using enterprise user roles.
- A dedicated support email has been established for UAT-related questions and issues: [AcctAudUATSupport@myfloridacfo.com](mailto:AcctAudUATSupport@myfloridacfo.com).

## **Agency Monthly Reconciliation Activities**

- A&A provided an update on Mock Conversion 4 results from Florida PALM, specifically related to balance conversion testing. Initial results indicate that several funds are out of balance and therefore will not be loaded into Florida PALM until corrections are made.
- It was noted that the data used for the mock conversion was pulled on November 8, which represents a point-in-time extract. Due to timing, some balances may not have been fully reconciled at the time of the data pull.
- For CMS, A&A performs a reconciliation of Florida PALM cash to Central FLAIR cash. Agencies were reminded that they remain responsible for completing Departmental to Central FLAIR reconciliations.
- A&A emphasized the importance of conducting monthly reconciliations and reviewing available reports to ensure data accuracy and completeness.
- Agencies noted challenges with communication surrounding mock conversion timing. A&A advised that Florida PALM will conduct a data refresh following the dry run.

## **Security Access Managers**

- A&A has received an uptick in SAM requests and will work with the Florida PALM project on a process to add SAMs for UAT.
- Agencies are encouraged to continue using CFO Memo #28 for SAM guidance. The matrix provided on the memo represents CMS / Production.

## **FLIPS CSN Update**

- An update was provided regarding the implementation of FLIPS CSN. It was noted that the timeline is being adjusted to reflect a more realistic implementation approach.
- FLIPS will only be used to replace the current ACH enrollment process until Florida PALM go-live, with additional functionality being implemented at that time. To support this transition, the applicable rule was revised, and the existing paper enrollment form will be retired.
- Agencies were advised that vendors will need to be formally invited to participate in FLIPS. Agencies will receive notification and guidance on the vendor invitation process. The information required from agencies and vendors will be limited to essential data elements.
  - Agencies will submit vendor invitation requests to the Bureau of Vendor Relations (BVR).
  - BVR will then contact vendors and issue invitations using a standardized form.
- BVR will develop and distribute a Supplier Request form to agencies outlining the information required to initiate vendor invitations. Required information will include, at a minimum, vendor name, email address, program area, and contact information.
- The vendor invitation process will apply to both new and existing vendors. Following Florida PALM and FLIPS go-live, agencies will have the capability to send vendor invitations directly.

### **Interest Penalty**

- Agencies are required to resolve interest penalty invoices within 15 days of creation.
- Since these invoices will not be converted to Florida PALM, it's important that these are resolved.
- BVR is responsible for tracking the invoices once Florida PALM goes live and this could put a lot of strain on their operations if there is a backlog.

### **Stop Payments**

- Florida PALM will not be able to duplicate warrants; in Florida PALM warrants will be cancelled and reissued.
- Agencies are encouraged to start using this process now.

### **Revolving Fund Data for Florida PALM Supplier Records**

- Agencies reported challenges when attempting to reconcile revolving fund payments in FLAIR, noting discrepancies in payment processing results.
- A&A advised that the Bureau of Vendor Relations (BVR) will begin outreach to agencies to encourage direct deposit enrollment and to collect and validate supplier payment information to confirm readiness for conversion into Florida PALM.
- Some transactions are still producing warrants rather than electronic payments and that outreach has been initiated with BVR to resolve these issues.
- A&A noted that certain system logic may not be correctly interpreting fund titles, and that some funds may require retitling within the Statewide Vendor File (SWVF) to support accurate payment processing.

### **Roundtable Topics**

#### **Capital Assets**

- Agencies were asked whether any property exists outside of the subsystem and whether all assets are recorded in FLAIR. Agencies confirmed that all applicable property is currently recorded in FLAIR.
- A&A shared the results of data analytics performed on capital asset records. It was noted that the state capitalization threshold is \$5,000 (compared to the federal threshold of \$10,000). Analysis indicated that approximately 88 percent of asset records fall below the \$5,000 threshold, which includes items that are nearly or fully depreciated.
- Discussion included assets that were initially capitalized above the threshold but later depreciated below \$5,000, resulting in numerous low-value records remaining in the capital asset population. For this population, although the records still have a balance, they are no longer depreciating.

- A&A proposed reclassifying assets below the capitalization threshold as attractive items, grouping them separately to significantly reduce the volume of capital assets subject to reporting and reconciliation. This proposition would seek to gain a consensus with agencies in the best way to reduce the remaining 12 percent of immaterial records.
- Agencies expressed support for this concept, with agreement that certain asset types, including firearms and computers, should continue to be tracked separately. The discussion emphasized focusing capital asset reporting on financially material assets.

### **Takeaway**

- A&A will add Capital Assets to a future FASM agenda.
- Reports will be developed and presented at a future meeting to illustrate the potential impact of reclassifying assets below the capitalization threshold.
- Agencies requested that Florida PALM downtime and cutover planning be included on a future agenda.
- A&A advised that system downtime will be minimized to the extent possible and emphasized a collaborative approach with agencies, the Florida PALM project team, and other stakeholders.
- Discussion topics for future meetings include:
  - Transactions that may be paid in advance of go-live
  - Transactions that may remain in queue at go-live
  - Risks associated with interim workarounds and evaluation of feasible options
- Agencies emphasized the importance of understanding the timeline for construction payments, noting that advance notification to the vendor community will be critical.
- Agencies suggested the creation of a centralized communication resource, such as a website, to share cutover-related information.